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EXECUTIVE SECRETARY

October 11, 2000

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37024-0505

**Re: TRA Docket No. 00-00446
Complaint of Claire Schuler
Against United Cities Gas Company**

Dear Mr. Waddell:

This letter will serve as United Cities Gas Company's brief and statement of position in the complaint of Claire Schuler against United Cities.

The crux of Ms. Schuler's complaint is that United Cities failed to discover a leak behind her meter at the residence she occupied at 1007 Old Lascassas Pike. Because of this failure, Ms. Schuler alleges that her gas consumption would have been much less, at least half of the metered usage. Ms. Schuler has requested a refund of half of her bills since she became a United Cities customer in December, 1997. Ms. Schuler has also raised an ancillary issue concerning the reading, or lack of reading, of her meter at certain times during her period as a customer.

Estimating Meter

This is probably the easiest issue to address and appears to have little bearing on the dollar/leak issue in Ms. Schuler's complaint.

It is not disputed that Ms. Schuler's dog played a part in causing her meter to be estimated. The dispute perhaps is whether or not it was reasonable to have concern over the presence of the dog when reading the meter. The Company's testimony was that the dog posed a threat to the Company's meter reader. Ms. Schuler disputes that

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dog could cause this concern, however from time to time in her testimony she mentioned "the aggressive behavior" of the dog that may have been caused by abuse from other people.

All of this discussion aside, the Company did refund Ms. Schuler an amount equal to the month's bill that was in dispute. This totaled \$79.70. The Company did this despite having no obligation under its tariff or the TRA's rules and regulations. The Company, under circumstances such as weather and dogs, is allowed to estimate customer's bills and was justified given the facts presented by the parties.

Leak Investigation

Ms. Schuler alleges that the Company should have discovered the leak on her property and therefore her bills should have been up to one half of that billed. Mr. Jay Murray, the Company's local operations supervisor, testified he did everything in compliance with the Company's operation and maintenance procedures and all pipeline safety requirements. Mr. Murray testified, when first addressing Ms. Schuler's complaint, he investigated the meter at the residence and checked the two (2) gas appliances in the house. Every test run by Mr. Murray indicated that the meter was running properly and the high consumption complained of was not the result of any leak. When the complaints continued, Mr. Murray initiated a leak investigation of the property. A leak test was not run at this time, partly because an acquaintance of Ms. Schuler represented that he did not notice any gas odors. Soon thereafter, on March 30, 2000 the Company did perform a full leak investigation and found a small leak in the backyard where a gas grill stand was located. This investigation was performed at the request of the customer and took place immediately after the customer mentioned her concern over a possible leak.

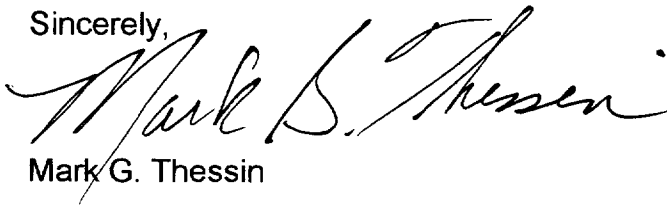
Several facts are important to recall in determining that the Company's handling of Ms. Schuler's complaint was proper and within the Company's tariff and the TRA's rules.

- **Until March 30th Ms. Schuler never mentioned that there was a possibility of a leak. This is shown in her informal complaint filed on February 24, 2000 where this concern is not expressed and Ms. Schuler's admission at the hearing that March 30th was the first time she complained of a leak.**
- **Ms. Schuler alleged that her gas consumption was high and it should have been obvious that there was a leak on the property. This fact is contradicted by the late-filed exhibit of the Company that showed gas bills at the residence since August, 1990. Taking representative periods of time from this exhibit, it shows that Ms. Schuler's gas consumption is one of the lowest for any period of time. If Ms. Schuler's allegations had any validity, the opposite should be true. The consumption for the periods of time are attached to this letter. In addition, given the size of the residence, the gas consumption was well within the bounds of an average residential gas customer.**

- **Ms. Schuler admitted that the source of the leak, the gas grill stand, was very small and she could not smell the distinctive odor unless she was within around “six inches”.**
- **The Company’s tariff is clear that responsibility for gas leakage on the customer’s side of the meter is the responsibility of the customer. See sheet 61 of the Company’s tariff attached.**

All of these facts warrant the dismissal of Ms. Schuler’s complaint and an affirmation that the Company’s actions were proper in the handling of the issue raised by Ms. Schuler.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark G. Thessin". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Mark G. Thessin

Enclosures: 2

Cc: Ms. Claire Schuler
320 S. University Street (upstairs apt)
Murfreesboro, TN 37130

Mr. Gary Hotveldt, Esq.
Jay Murray
Denise Manning

GENERAL RULES AND REGULATIONS (Continued)

Customers with names of agencies providing assistance.

- (c) Each Customer shall be given the option to designate a third party who will receive a duplicate of any termination notice sent by the Company.
- (d) The Company shall provide all Customers annually and all new Customers when they initiate service, a copy of its termination and reinstatement policies including procedures of complaints and disputes together with the alternative of appeal to the Tennessee Regulatory Authority and its representatives who are available to handle complaints and inquiries. Customers will be notified they do not have to pay that portion of a bill which is in dispute while the dispute process is underway.

6. Test of Metering Equipment at Customer's Request

Upon receipt of written request from the Customer to do so, the Company will make a test as to the accuracy of the metering equipment, subject to the following conditions:

- (a) If requested, tests will be made in the presence of the Customer according to methods prescribed by the Tennessee Regulatory Authority, and witnessed by a representative of that Regulatory Authority.
- (b) If on test the meter is within two percent (2%) of accurate, then the cost of \$75.00 the test shall be paid by the Customer. If on test the meter is inaccurate by more than two percent (2%) then the test shall be without cost to the Customer.
- (c) If a meter so tested is found to be more than two percent (2%) in error, either fast or slow, Company shall recompute Customer's monthly bills by using the corrected volumes of gas delivered for the period that meter was in error, but for not more than six months. The appropriate adjustment, either credit or debit, shall be made in Customer's account based on such corrected volumes.

6.1 Responsibility for consumption; security of facilities

- (a) Loss of gas leakage from Customer's installation shall be considered to be consumption by the Customer.

GENERAL RULES AND REGULATIONS (Continued)

- (b) In the event of stoppage or failure of any meter to register properly, Customer will be billed for such period on an estimated consumption based upon his use of gas in a similar period of like use or on the basis of check meter readings, if available and accurate, but such adjustment shall not be made for more than six months.
- (c) In the event of tampering or unauthorized use of Company's facilities, the probable gas consumption shall be estimated by Company and billed to Customer. If the duration of such tampering or unauthorized use is not known, it shall be conclusively presumed to be since the commencement of Customer's service but for a period of not more than six months.
- (d) All property of Company installed in or upon premises of, or occupied by Customer is under Customer's protection. All reasonable care shall be exercised by Customer to prevent loss of or damage to such property, ordinary wear and tear excepted. Customer will be liable for any loss of property or damage thereto and shall pay to Company the cost of appropriate repairs or replacements for such loss or damage to property.

7. Extension and Installation of Company Facilities

This Company will, upon written application, extend its gas mains to serve bona fide applicants of a permanent and established character in accordance with the provisions of this Service Regulation. Gas main extensions shall be made only along public streets, roads or highways and upon private property across which satisfactory rights of way or easements have been provided without cost to the Company. All gas mains constructed pursuant to this service regulations shall be owned, operated, and maintained by the Company.

7.1 Free Extension Allowance

Any extension from existing mains to the point of connection with Customer's service line, whether on public property or on private property, is considered to be an extension of a main. Any extension, from existing mains or from an extension of a main as defined above, to Customer's property for service to Customer shall be considered a part of the service line to service such Customer.

Consumption at 1007 Old Lascassas Pike 12/90 to 11/99

| | | | |
|----------------|------|-----|---|
| 12/90 to 11/91 | 1130 | Ccf | |
| 12/91 to 11/92 | 1178 | Ccf | |
| 12/92 to 11/93 | 1103 | Ccf | |
| 12/93 to 11/94 | 1218 | Ccf | |
| 12/94 to 11/95 | 1131 | Ccf | |
| 12/95 to 11/96 | 1187 | Ccf | Service turned off for part of the year |
| 12/96 to 11/97 | 751 | Ccf | |
| 12/97 to 11/98 | 854 | Ccf | Ms. Schuler's bills |
| 12/98 to 11/99 | 794 | Ccf | Ms. Schuler's bills |
| 12/99 to 10/00 | 535 | Ccf | Ms. Schuler's bills |